



THE SECRETARY OF AGRICULTURE  
WASHINGTON, D.C.  
20250-0100

JUL 30 2019

The Honorable Kim Reynolds  
Governor  
State of Iowa  
Des Moines, Iowa 50319

Dear Governor Reynolds:

I want to bring to your attention the enclosed letter from Brandon Lipps, Administrator for the U.S. Department of Agriculture's (USDA) Food and Nutrition Service. The letter notifies Iowa of their fiscal year 2018 Supplemental Nutrition Assistance Program (SNAP) payment error rate of 10.02 percent. The payment error rate measures how well Iowa is determining eligibility and issuing the correct amount of benefits to SNAP recipients. Iowa is well above the national 2018 SNAP payment error rate of 6.80 percent.

I think we can agree that the American taxpayer and those we serve through this program deserve our mutual commitment to ensuring correct payments are going to eligible recipients. I can remember, as Governor, being unaware of the situation. With this letter, I am asking you to take a personal leadership position in improving your State's payment accuracy and am committing to you that USDA will provide technical assistance and other support to help Iowa staff make more accurate determinations of eligibility and benefit levels.

The administration of SNAP is a mutual responsibility. I look forward to working with you to improve payment accuracy in this critical nutrition program in a manner that ensures our role as public stewards of the American taxpayers' dollars and trust. Please let me know what USDA can do to assist Iowa in making these improvements.

Sincerely,

A handwritten signature in blue ink that reads "Sonny Perdue". The signature is fluid and cursive, with the first name "Sonny" and last name "Perdue" clearly distinguishable.

Sonny Perdue

Enclosure



Food and  
Nutrition  
Service

Park Office  
Center

3101 Park  
Center Drive  
Alexandria  
VA 22302

JUL 30 2019

The Honorable Gerd Clabaugh  
Acting Commissioner  
Iowa Department of Human Services  
1305 East Walnut Street  
Des Moines, Iowa 50319

Dear Acting Commissioner Clabaugh:

Today, the U.S. Department of Agriculture (USDA) released the official Supplemental Nutrition Assistance Program (SNAP) overpayment, underpayment, and payment error rates for Fiscal Year (FY) 2018 under the quality control (QC) provisions of Section 16(c) of the Food and Nutrition Act of 2008, as amended (the Act). The national performance measure (national average payment error rate) for FY 2018 is 6.80 percent. Your payment error rate consists of the sum of the overpayment rate and the underpayment rate. Please note, this sum may not add up to the exact payment error rate due to rounding.

Iowa's QC error rates for FY 2018 are:

Overpayment Rate	8.91 percent
Underpayment Rate	1.11 percent
Payment Error Rate	10.02 percent

The Mountain Plains and Midwest Regional Offices are your partners in reducing payment error rates. Your State's FY 2018 payment error rate reflects a measurable increase from the FY 2017 rate of 9.61 percent. Some of the identified causes of errors, on the agency side, are not verifying required information and policy applied incorrectly and inconsistently. On the client side, the main issue is information not being not reported. The Food and Nutrition Service (FNS) provided on-site technical assistance in January 2019 and again in May 2019 where we worked with your staff to utilize process mapping to identify specific challenge areas. We are conducting monthly calls to support State efforts to remedy these challenges. Mountain Plains Regional Office staff worked closely with Iowa leadership through the regional Noticing Project to assist the State in correcting faulty notices, which has proven to positively impact payment accuracy. FNS especially thanks you for your collaborative efforts to revise your eligibility forms, and the case clearance process. FNS will continue to work with you to identify specific root causes of errors in your State and provide technical assistance on corrective actions.

The Honorable Gerd Clabaugh  
Page 2

Through our monthly calls and on-site visits, we will continue to provide assistance on the error prone areas identified in the process mapping. As we work together to continuously improve payment accuracy, we also remain dedicated to the validity and accuracy of the QC system as a whole. Together we are stewards of the taxpayer's money and our collaborative efforts will serve to end hunger and improve program integrity.

Statutory authorities regarding liability determination due to excessive payment error rates have been delegated by the Secretary of Agriculture to FNS. Under the Act, a 2-year liability system is in place. Under this system, a liability amount shall be established when, for the second or subsequent consecutive FY, FNS determines that there is a 95 percent statistical probability that a State's payment error rate exceeds 105 percent of the national performance measure for payment error rates.

This letter provides notice that, for FY 2018, FNS has determined that there is a 95 percent statistical probability that Iowa's payment error rate of 10.02 percent exceeds 105 percent of the national performance measure. FY 2018 is the second consecutive year that Iowa has exceeded 105 percent of the national performance measure. Consequently, a liability amount of \$1,793,712.00 is being established for Iowa for FY 2018. In accordance with Section 16(c)(8)(C)(iii) of the Act, the Governor and Legislative bodies of Iowa have also been advised of the error rates and the liability amount. Please see the enclosed documents for more details about your State's liability and your settlement and appeal options.

If you have any questions or need more information, please call your Regional Administrator, Cheryl Kennedy at (303) 844-0300.

Regards,



Brandon Lipps  
Administrator  
Food and Nutrition Service

Enclosure